

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 9, 1986

\* ALL COUNTY LETTER NO. 86-126

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: DISASTER RELIEF PAYMENTS

REFERENCE: MPP Section 42-201.1, Availability of Property  
MPP Section 42-213.2g, Lost, Stolen, Damaged, or  
Destroyed Property  
MPP Section 44-102, Availability of Income

This is in regard to the treatment of disaster relief assistance received by AFDC or RDP recipients. The letter responds to the many questions raised by those counties which were affected by the February 1986 floods.

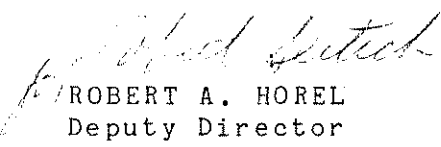
State regulations do not specifically address disaster relief payments. MPP Section 42-213.2g relates only to personal property which is lost, stolen, damaged or destroyed in circumstances other than a natural disaster and should not be applied to disaster relief funds.

Since the regulations do not specifically address natural disaster issues, the Department has established a general policy that the assistance (e.g., Individual and Family Grant Program, Federal Emergency Management Agency or Small Business Administration Loan) a client receives as the result of a disaster is not to be treated as income or property for AFDC purposes, upon receipt or thereafter. The payment a client receives as a result of a natural disaster is conditional in that it must be spent for specific items and must be returned if not spent. Therefore, it cannot be considered income or an "available" resource, as defined in MPP Sections 44-102 or 42-201.1 due to the funds being earmarked for a specific purpose.

The exemption of disaster relief assistance from consideration as income or property does not terminate certain county and recipient responsibilities regarding AFDC eligibility factors. Since some recipients can be expected to intermingle disaster relief funds with their other resources, the county should monitor the amount of

disaster assistance which a client retains from month to month so it is not included among the client's countable resources. As far as spend-down is concerned, the client need not supply receipts or invoices to verify the amount of funds spent but should report the purchase of any real or personal property items which could affect eligibility for AFDC.

If you have any questions or concerns about disaster relief payments, please contact Judy Moore of the AFDC and Food Stamp Policy Implementation Bureau at (916) 324-2017 or ATSS 454-2017.

  
ROBERT A. HOREL  
Deputy Director

cc: CWDA